Essentials of the BALANCED SCORECARD

Mohan Nair

© Emerge Inc. 2004

Source: Essentials of Balanced Scorecard
Wiley & Sons 2004 Mohan Nair
Reprinted with permission

Emerge®

A note from an expert

"**It's easy to make plans when you take accurate measurements**."

Norma, Cabbage Patch Kid

The Clubhouse,

FLYING FILMS LTD PRODUCTION

© Emerge Inc. 2004

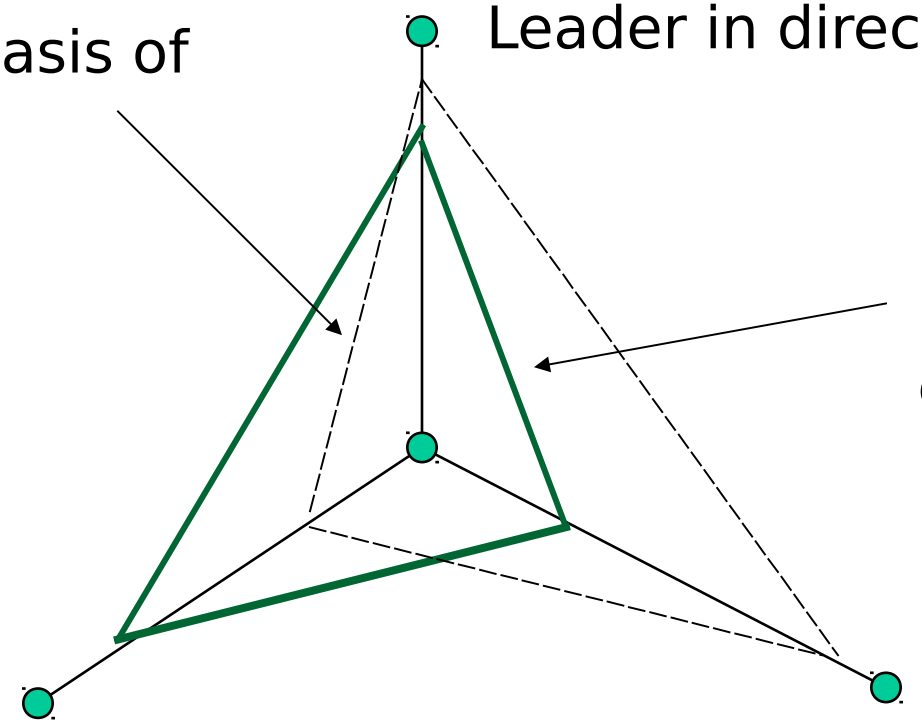
Emerge®

BSC Framework

Emerge®

© Emerge Inc. 2004

Paradox Map


Real emphasis of resources
Leader in direct consumer marketin
Emphasis as per executive leadership impression and direction
Align with larger player
Dominate in customer service

© Emerge Inc. 2004

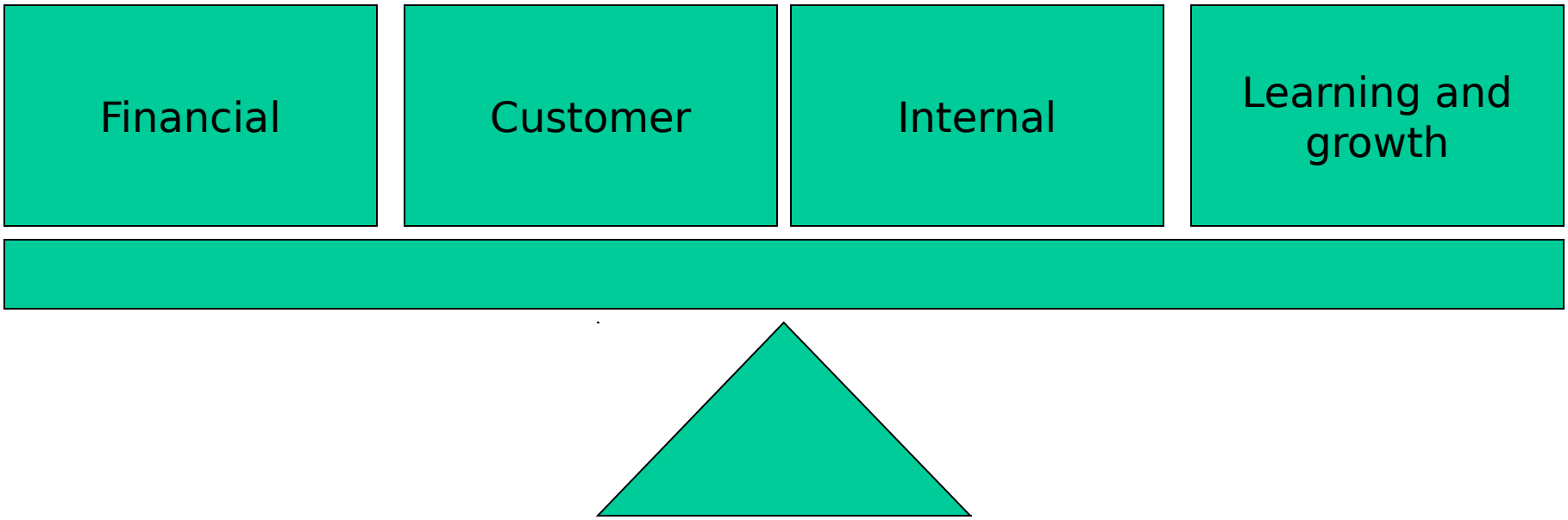
Emerge®

BALANCE WITH MEASURES

© Emerge Inc. 2004

Emerge®

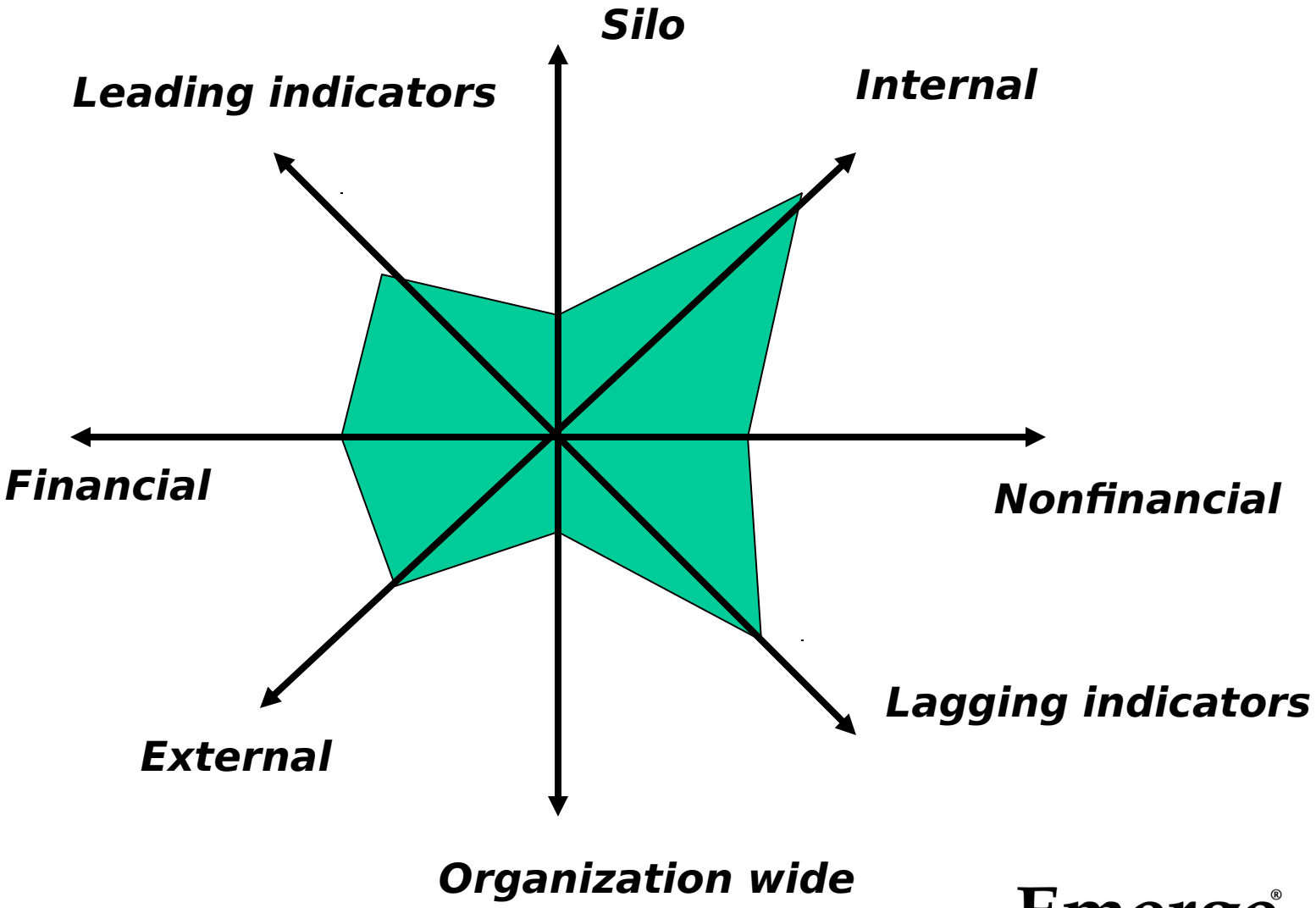
Balance of Perspectives



© Emerge Inc. 2004

Emerge®

Insight that Balance Brings



© Emerge Inc. 2004

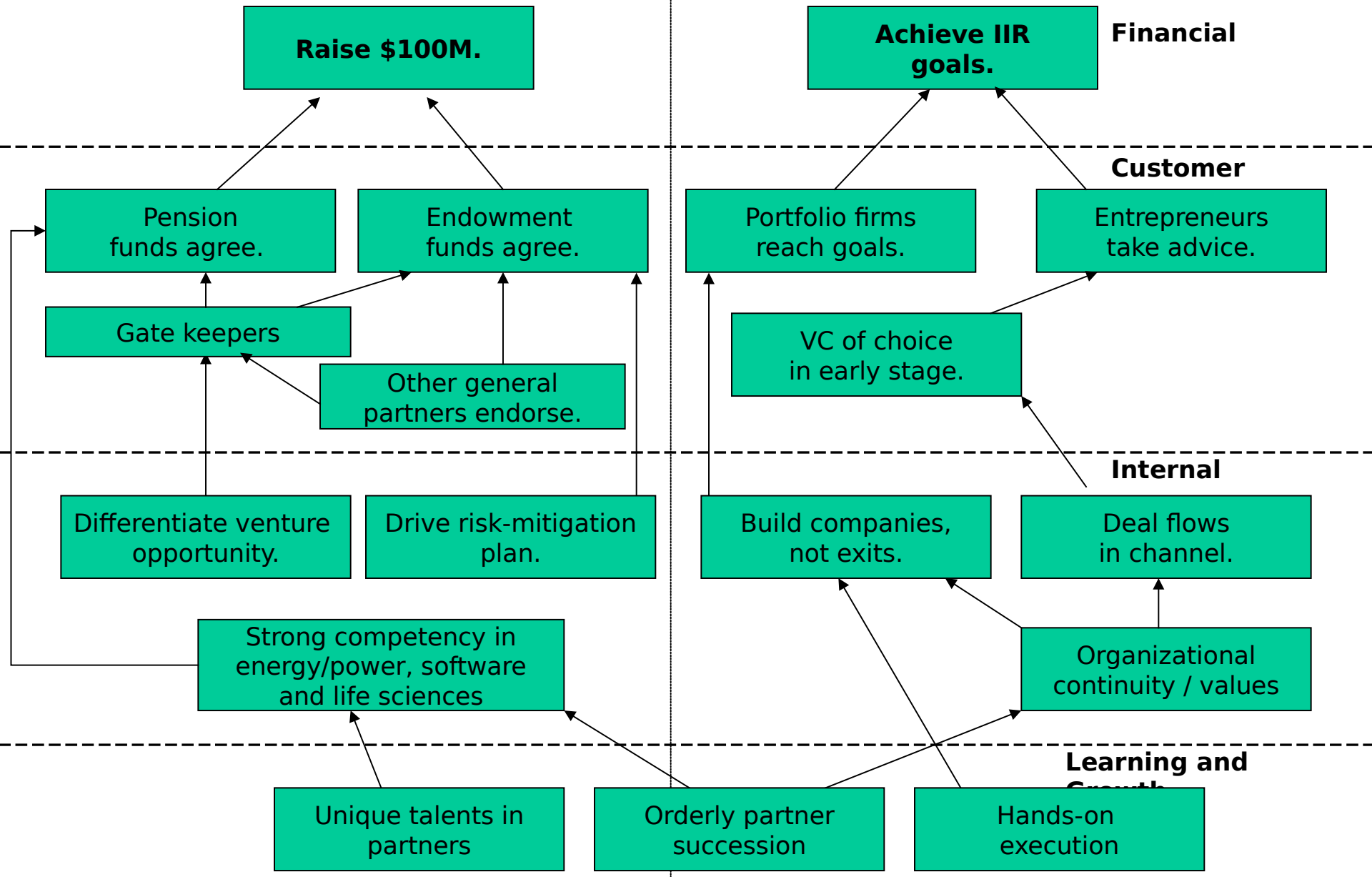
Emerge®

STRATEGY MAPPING
“CAUSE AND EFFECT”

© Emerge Inc. 2004

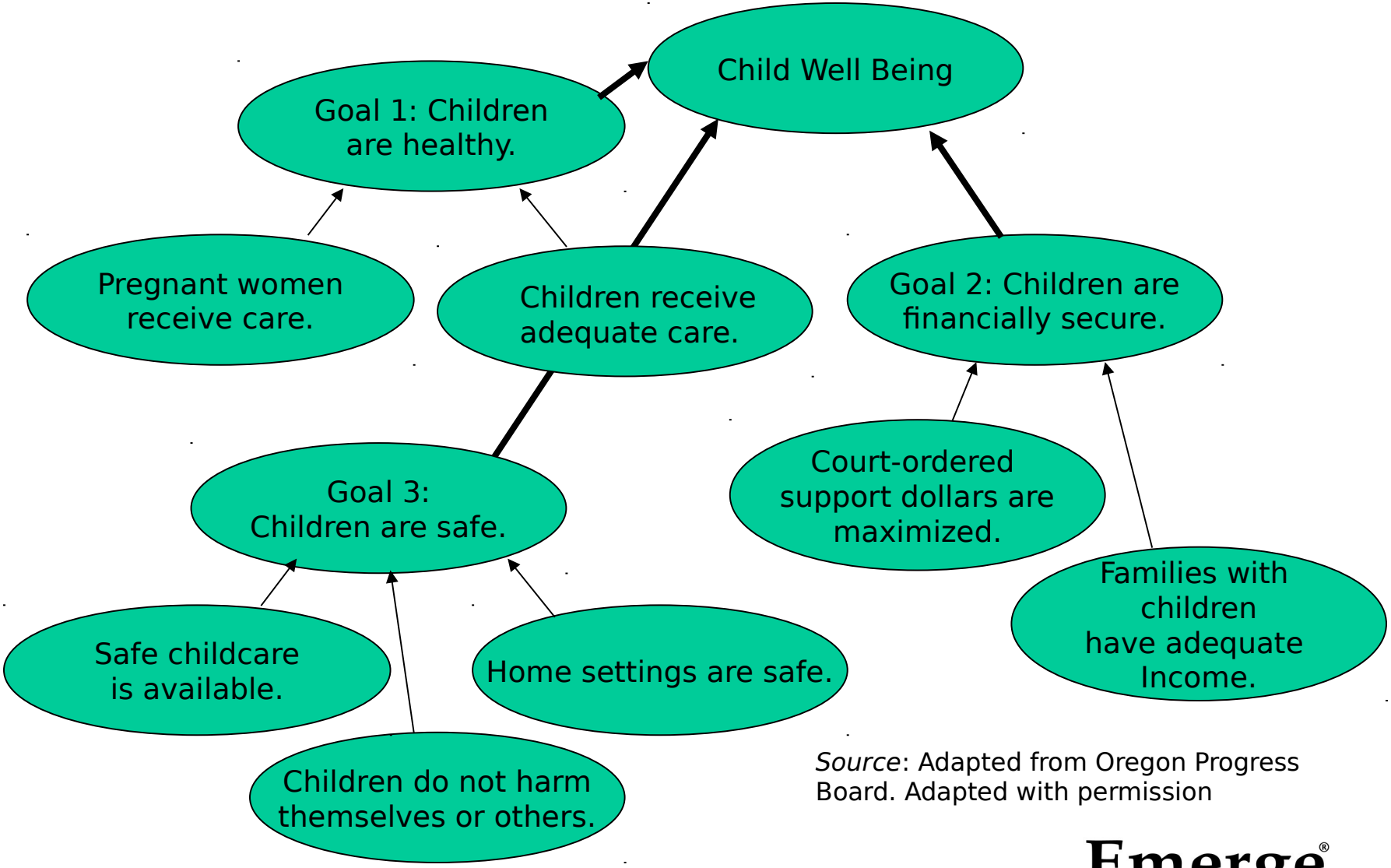
Emerge®

Strategy Map for Cascadia Partners LL



© Emerge Inc. 2004

Strategy Map (Partial) - Child Well Being


Child Well Being
Goal 1: Children are healthy.
Pregnant women receive care.
Children receive adequate care.
Goal 2: Children are financially secure.
Goal 3: Children are safe.
Court-ordered support dollars are maximized.
Families with children have adequate Income.
Safe childcare is available.
Home settings are safe.
Children do not harm themselves or others.

Source: Adapted from Oregon Progress Board. Adapted with permission

© Emerge Inc. 2004

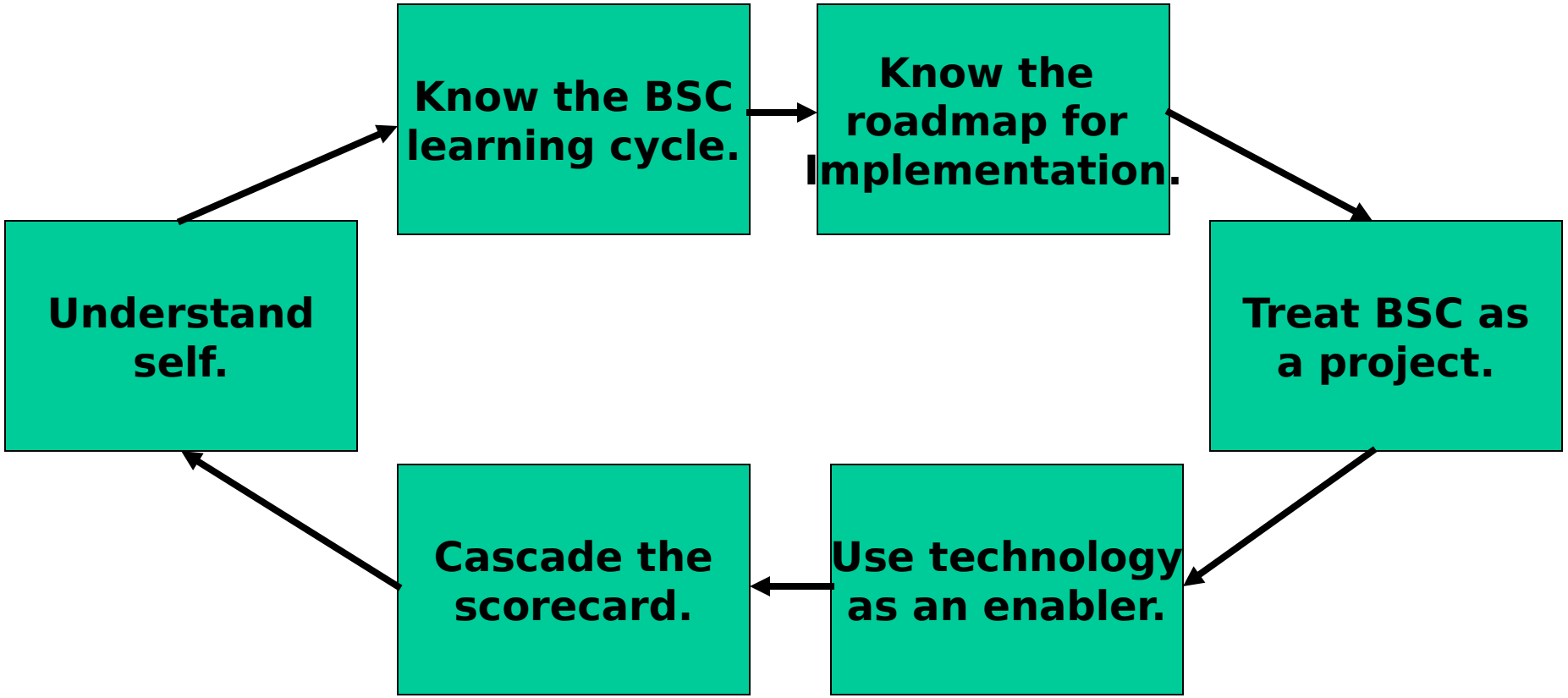
Emerge®

THE PROCESS

© Emerge Inc. 2004

Emerge®

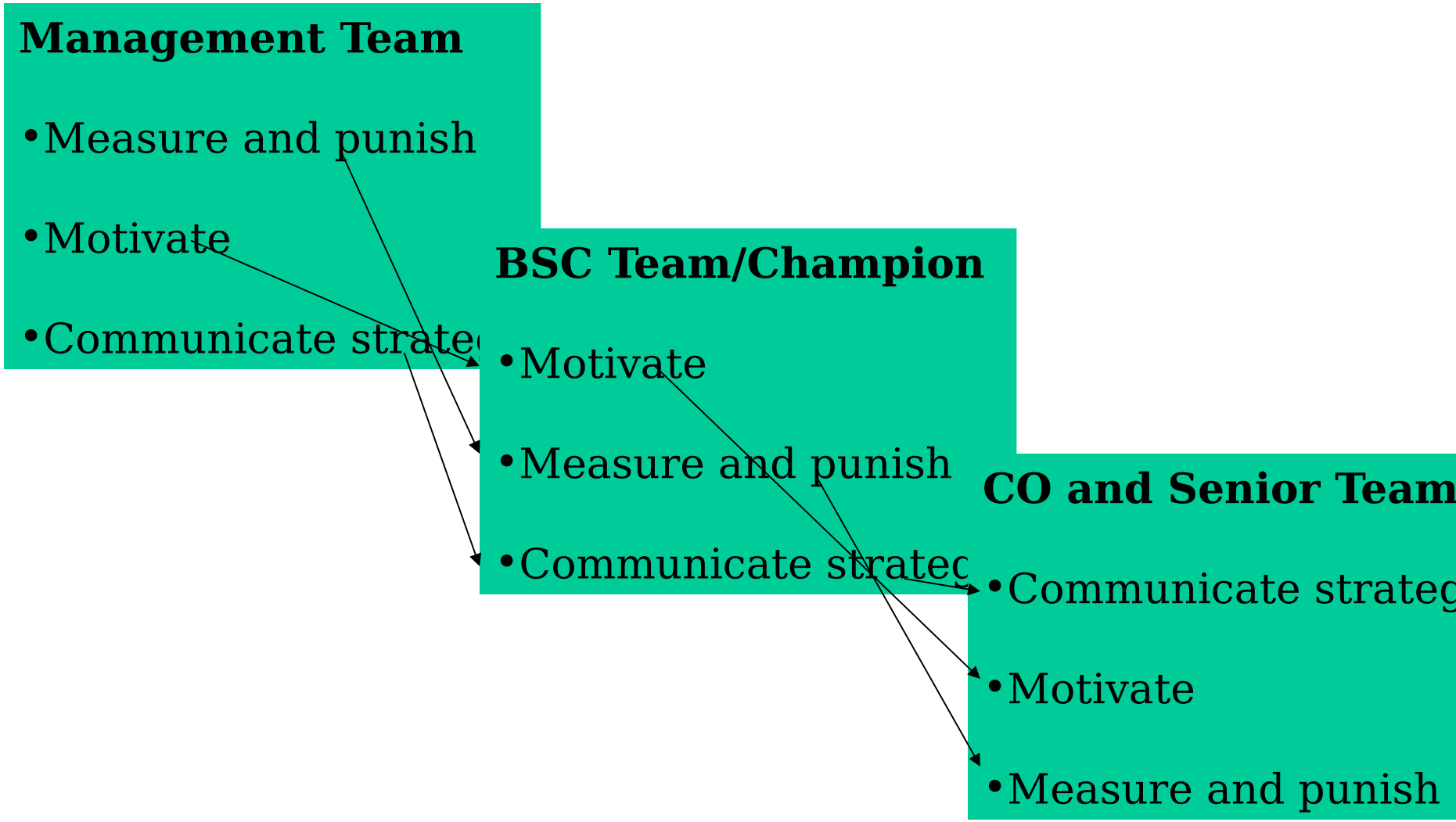
Six Success Factors for BSC Implementation


Know the BSC learning cycle.
Know the roadmap for Implementation.
Treat BSC as a project.
Use technology as an enabler.
Cascade the scorecard.
Understand self.

© Emerge Inc. 2004

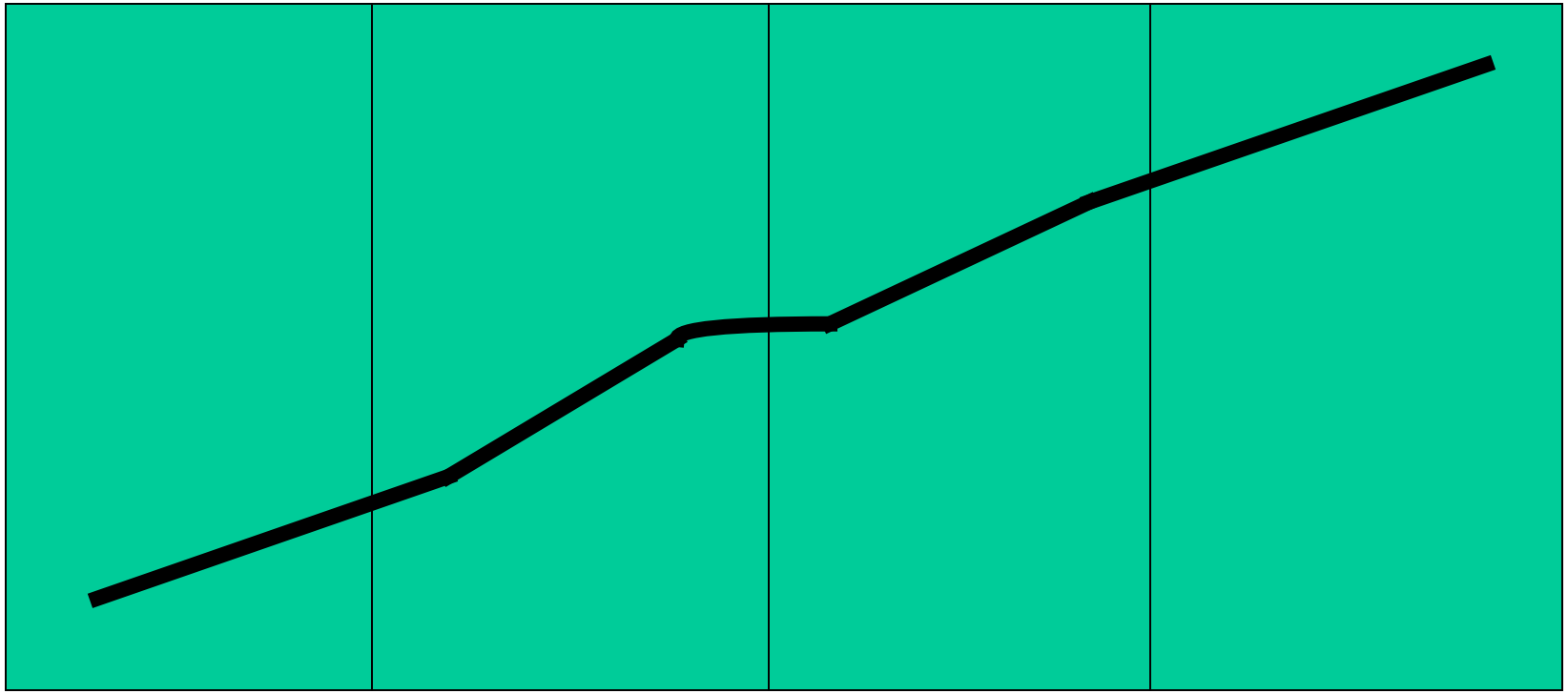
Emerge®

Misorder of Priorities



© Emerge Inc. 2004

Phases of BSC Implementation



Trigger	Education	Pilot	Enterprise
•What has happened? •What can we do?	•What is BSC? •Can it work for me? •Can it work consistently?	•Can it work for me? •Can it work consistently? •What is BSC?	•Can it work consistently? •Can it work for me? •What is BSC?

Emerge®

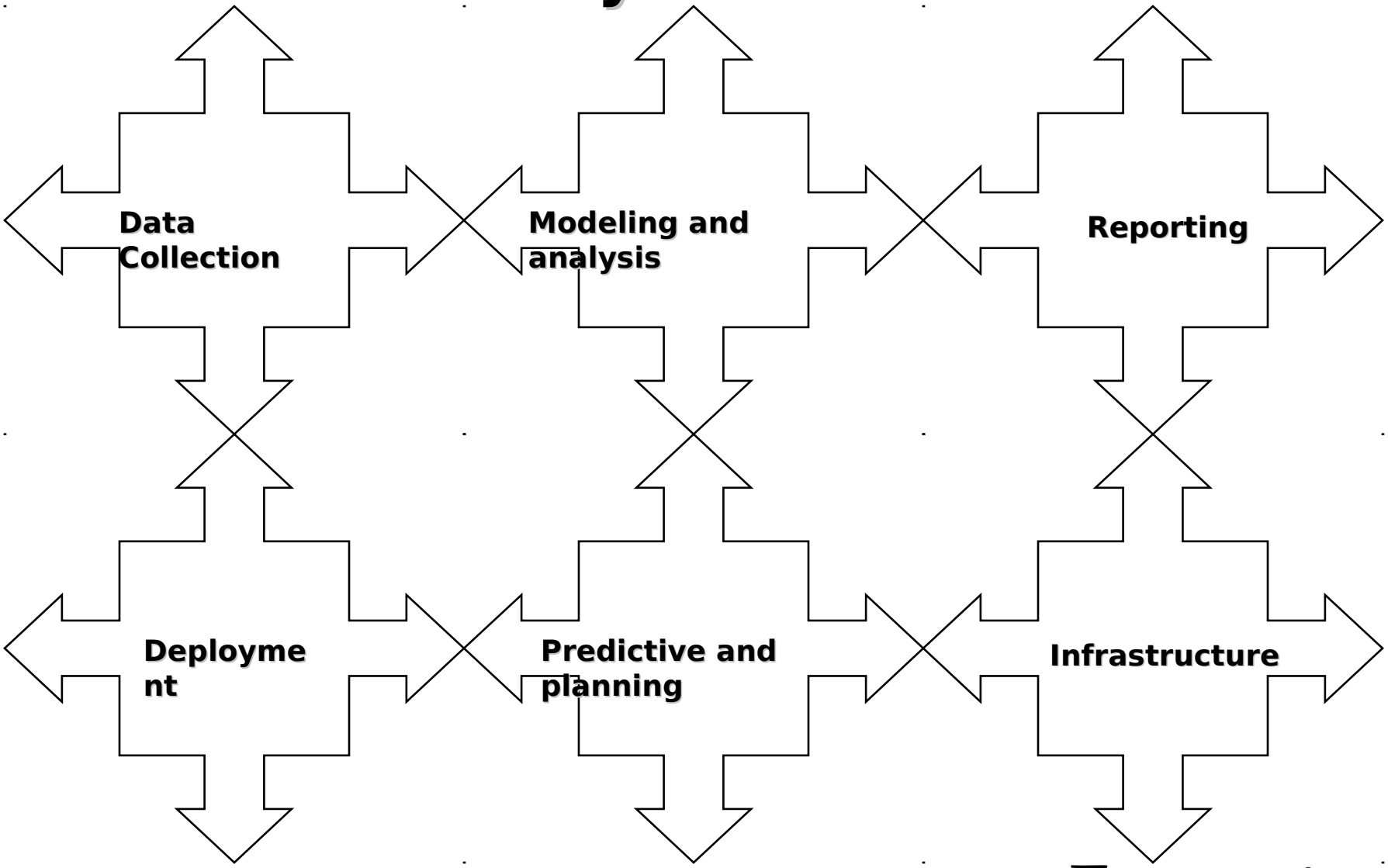
© Emerge Inc. 2004

THE SYSTEMS

© Emerge Inc. 2004

Emerge®

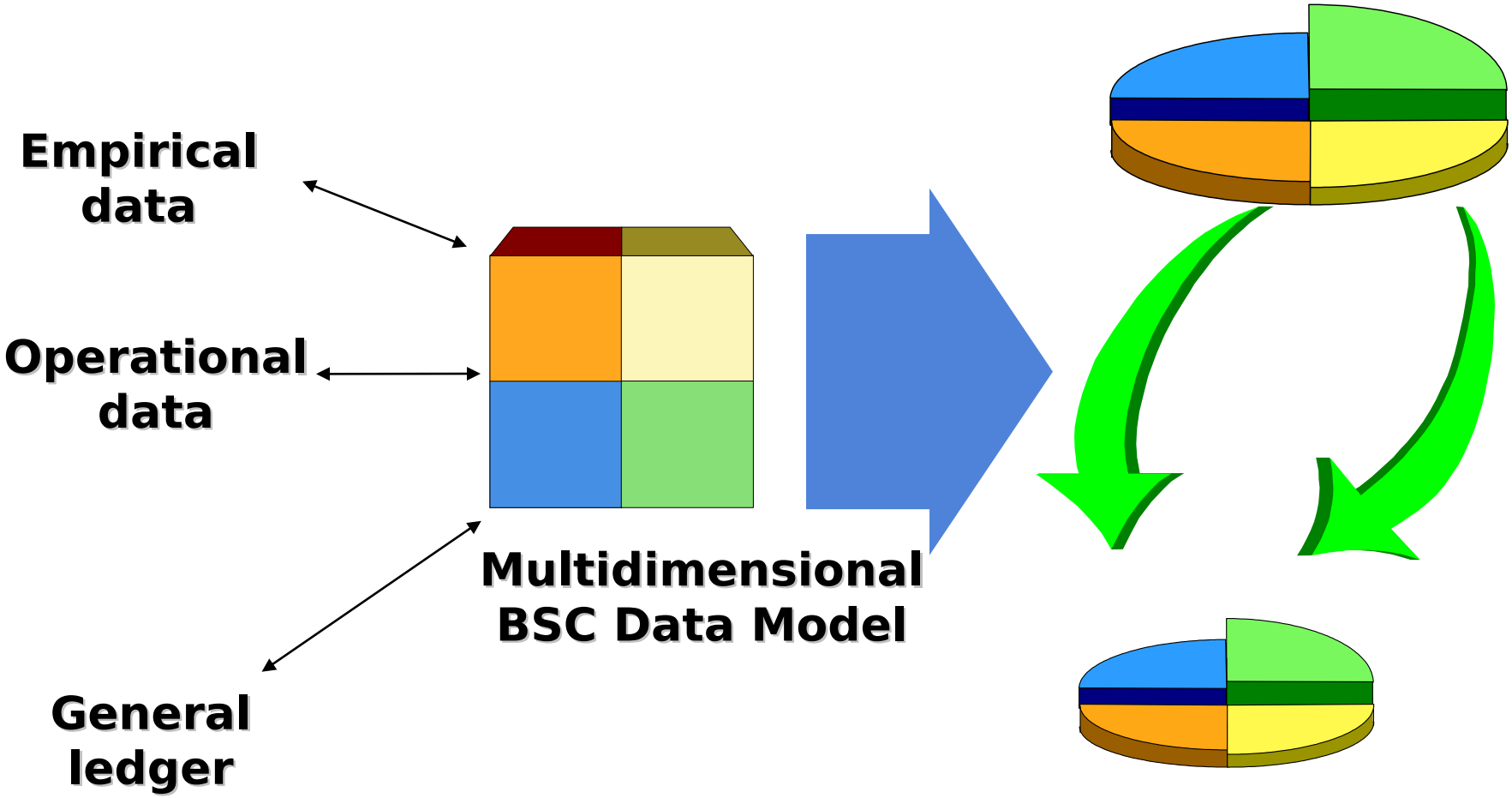
What Makes a BSC Software System?



Emerge®

© Emerge Inc. 2004

EDR Data Sources



© Emerge Inc. 2004

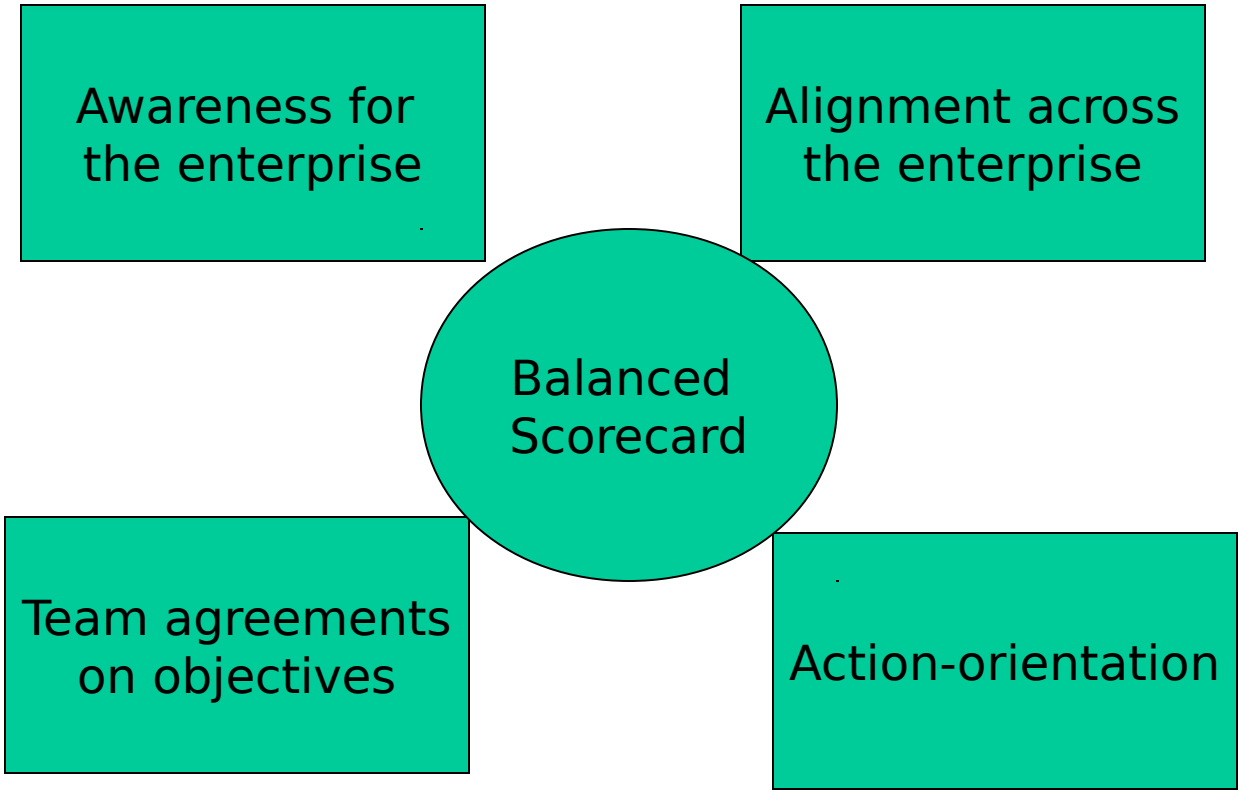
Emerge®

ACHIEVING SCALE

© Emerge Inc. 2004

Emerge®

Cascading the Scorecard



© Emerge Inc. 2004

Emerge®

Cascading the Objectives, Measures, Targets

Corporate

Strategic Theme	Objective	Measure	Target
Achieve dominant position in semi conductors.	Drive sales to 2 times market by 2005.	Revenue	$20 billion

Marketing

Strategic Theme	Objective	Measure	Target
Achieve dominant position in semi conductors.	Generate significant leads to match revenue target.	Number of leads	10,000 warm/hot leads

Sales

Strategic Theme	Objective	Measure	Target
Achieve dominant position in semi conductors.	Capture majority design wins.	Design win opportunities.	4 out of 5

Strategic Theme	Objective	Measure	Target
Achieve dominant position in semi conductors.	Execute on quarterly direct mail campaign.	Number of direct mailings mailed per quarter	100,000

Marketing Communications

© Emerge Inc. 2004

THE SINS OF SCORECARDS

- Taking the time to gather relevant data; (a technology and process challenge)
- Not making BSC a critical part of management process (a process challenge)
- Stopping the education of users (a people challenge)
- Looking for the *Aha!* instead of the “I knew it!” (a process challenge)
- Managing understanding and support (a people challenge)
- Not fighting the Freeloaders who resist change (a people challenge)
- Searching for push-button solutions (a technological challenge)
- Expecting the design to freeze (a technology challenge)
- Assuming no hidden costs (a resource challenge)
- Managing from the executive suite (a management challenge)
- Forgetting the values, vision, and mission (a process challenge)

© Emerge Inc. 2004

Emerge®

Mohan Nair

Mohan sits on the following non-profit boards:

- American Electronics Association, which he chaired for two years; Mohan also coordinates and moderates the AEA CEO Forum, noted to be the most outstanding in the country, serving over 150 CEOs in private and public companies in Oregon.
- the Oregon Entrepreneurs Forum an affiliate of the MIT forum. Mohan is Chair of Venture Oregon 2004 bringing venture capitalists into the State.
- Member of the Consortium of Advanced-Manufacturing-International/Armed Services Special Interest Group developing performance management policy.
- State of Oregon Governor sponsored committee for performance management and accountability.

Recently, Mohan accepted a role as Executive Vice President of Regence Group, a holding company managing the resources of a $7 Billion BlueCross BlueShield network. He drives all marketing and new product development, alliances and new business design for the firm as Chief Marketing Executive. Prior to this, Mohan founded Cascadia Partners, a seed-stage venture capital firm focused on developing startups in the life-science, energy and high-technology sectors.

Ten years ago, Mohan created Emerge Inc. because institutions needed targeted assistance in Go-to-market strategies and corporate performance management. A practitioner rather than a consultant, Mohan Nair is the former Director, President and Chief Operating Officer of ABC Technologies Inc., the leader in Activity-based Cost Management and Performance Management systems in the world and an INC 500 company. He managed the company's growth from $2.9 Million to $30 million in 7 years.

In the last 25 years, Mohan has held pivotal roles as a Software Systems Engineer/Marketing Manager at Intel Corporation, as Director of Marketing at Mentor Graphics Corporation, and as Chief Operating Officer of a startup that is now part of Network Associates.

© Emerge Inc. 2004

Emerge®

Mohan Nair (continued)

Mohan is an Adjunct Professor at J.L. Kellogg School of Management at Northwestern University in Chicago since 1993. His articles have appeared in Unix/World Magazine, Data Communications, Byte Magazine, The Hong Kong Journal of Accountancy, International Journal of Strategic Cost Management, Journal of Corporate Accounting and Finance and The Controller. Mohan has been profiled or quoted in Forbes, Industry Week, Business Finance, the Business Journal and CNBC-Asia.

Mohan authored two books in Performance Management:

- "Activity-Based Information Systems – An executive's guide to implementation" (Wiley & Sons).
- "Essentials of Balanced Scorecard (Wiley & Sons)

He holds a Bachelor of Science in Computer Science/Business and a Master of Science in Computer and Information Science. He is also an alumnus of the Advanced Management College from Stanford University.

Born and raised in Singapore, Mohan now resides in Portland Oregon.

© Emerge Inc. 2004

Emerge®